

MINUTES BOOK

MINUTES OF THE TWENTY NINTH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF NEULAND LABORATORIES LIMITED HELD ON FRIDAY, THE 2ND DAY OF AUGUST, 2013 AT 2.30 P.M. AT KOHINOOR, TAJ DECCAN, ROAD NO. 1, BANJARA HILLS, HYDERABAD - 500 034

PRESENT

Directors:

Dr. D. R. Rao	Chairman & Managing Director
Mr. D. Sucheth Rao	Whole Time Director & CEO
Mr. D. Saharsh Rao	Whole Time Director & President - CRCM
Mr. G.V.K. Rama Rao	Director
Mr. S.B. Budhiraja	Director
Mr. H. Dhanrajgir	Director
Mr. P.V. Maiya	Director
Dr. Christopher M Cimarusti	Director

In Attendance

Mr. N.S. Viswanathan	Chief Financial Officer
Ms. Sarada Bhamidipati	Company Secretary

Members: 377

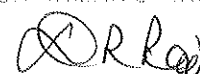
Proxies: 82

After ascertaining the quorum, the Company Secretary, Ms. Sarada Bhamidipati, welcomed the shareholders to the 29th Annual General Meeting and declared that the Register of Director's shareholding was open for inspection to the members of the company. She then requested Dr. D.R.Rao, Chairman, to preside over the meeting.

Dr. D.R. Rao, Chairman, commenced the proceedings of the meeting. The Chairman welcomed the shareholders to the 29th Annual General meeting and introduced the Directors present on the dais to the Shareholders. The notice convening the Annual General Meeting and the Directors' Report was taken as read with the consent of all the members.

The Chairman, in his speech thanked all the stakeholders for the support extended to the Management in achieving the noteworthy results during FY 2012-13. He also apprised the members about the improvement in Credit rating and reduction of debt, which facilitated the Company in reduction of finance cost and improved Profits. The Chairman welcomed lifting the ban on expansion of Production of all types of bulk drug manufacturing units by the Government of Andhra Pradesh.

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The Chairman then summarized the performance of the Company during the Financial Year 2012-2013. He mentioned that the results of the first quarter of current financial year have been encouraging.

Thereafter, the Chairman, requested Mr. N.S. Viswanathan, Chief Financial Officer, to read the Auditor's Report and with the consent of all the members the Auditor's Report was taken as read.

The Chairman then requested the members to take up the items of business:

ITEM NO. 1

Adoption of Accounts

The Chairman moved the resolution as an ordinary resolution for adoption of audited accounts as at March 31, 2013 and reports of the auditor's and director's thereon.

The Chairman moved the resolution for adoption of accounts for the Financial Year ended 31st March 2013. Before putting the Resolution to vote, the Chairman invited comments from the Shareholders.

The members in general appreciated improvement in the profits of the Company, reduction of debt, increase in share price and also commended the efforts of the Board and the Management in the turnaround and also for recommending dividend after a period of three years. The members who participated in the discussion included the following:

Mr. Shantilal C Shah
Mr. Ashok Chand
Mr. Suraj Mal Kankani
Mr. Ramesh Golla
Mr. Shujath Ali Khan
Mr. Srinivas
Mr. Subba Rao
Mr. Krishna Gopal Gupta
Md. Afzalur Rahman Sufi
Mr. Shankerlal Laddha

Upon the Shareholders completing their observations/queries, the Chief Executive Officer and the Chief Financial Officer responded to each Shareholder's observations/queries, including those on financials and current debt position of the Company.

Mr. Shantilal C Shah proposed the resolution and Mr. Kamal Kishore seconded the resolution.

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“RESOLVED THAT the Balance Sheet of the company as at March 31, 2013, the Profit and Loss account of the company for the year ended on that date and the Cash Flow Statement of the company for that year along with the report of the Director’s and Auditor’s thereon be and are hereby received, considered and adopted.”

The resolution was put to vote and was passed with requisite majority by the Share holders present at the meeting.

ITEM NO. 2

Declaration of Dividend for the financial year 2012-13

Mr. Praful Chavda proposed the resolution and Mr. Afzalur Rahman Sufi seconded the resolution.

“RESOLVED THAT a dividend of Rs.1.20 per Equity share to the Equity shareholders for the financial year 2012-13 as recommended by the Board of Directors be and is hereby approved”.

The resolution was put to vote and was passed unanimously by all the Share holders present at the meeting.

ITEM NO. 3

Appointment of Director in place of Mr. P.V. Maiya, who retires by Rotation and being eligible offers himself for re-appointment as a Director

Mr. Shantilal C Shah proposed the resolution and Mr. K.G. Gupta seconded the resolution.

“RESOLVED THAT Mr. P.V. Maiya, be and is hereby reappointed as a director of the company, whose period of office shall be liable to determination by retirement of Directors by rotation.”

The resolution was put to vote and was passed with requisite majority by the Share holders present at the meeting.

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ITEM NO. 4

Appointment of Director in place of Mr. Humayun Dhanrajgir, who retires by Rotation and being eligible offers himself for re-appointment as a Director

Mr. Bharat Shah proposed the resolution and Mr. Ramesh Golla seconded the resolution.

"RESOLVED that Mr. Humayun Dhanrajgir, be and is hereby re-appointed as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

The resolution was put to vote and was passed unanimously by all the Share holders present at the meeting.

ITEM NO. 5

Appointment of Statutory Auditors for the year ending 31st March 2014

Mr. Raghuveer proposed the resolution and Mr. Afzalur Rahman Sufi seconded the resolution.

"RESOLVED THAT M/s. K. S. Aiyar & Co., Chartered Accountants (Registration No. 100186W), be and are hereby appointed as the Statutory Auditors of the Company from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company for the year ending March 31, 2014."

The resolution was put to vote and was passed unanimously by all the Share holders present at the meeting.

The Chairman, being interested in resolutions under Item No. 6 requested Mr. Humayun Dhanrajgir, Director, to Chair the meeting.

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ITEM NO. 6

Re-appointment and fixing of remuneration of Mr. D. Sucheth Rao

Mr. Shujath Ali Khan proposed the resolution and Mr. Subba Rao seconded the resolution.

Resolution : Special

“RESOLVED THAT pursuant to the provisions of Section(s) 198, 269, 309 and 310 read with Schedule XIII and any other applicable provisions of the Companies Act, 1956, subject to such approvals if any required, Mr. D. Sucheth Rao be and is hereby re-appointed as Whole Time Director designated as Chief Executive Officer of the Company for a period of five (5) years effective from August 1, 2013 on a remuneration within the overall ceiling limit of 5% of the net profits of the Company as per the Companies Act, 1956, as set out below:

Salary: Rs.3,78,000 per month with authority granted to the Board of Directors (hereinafter referred to as “the Board” which term shall include a Committee of Directors thereof) to determine the salary and grant increases from time to time. The annual or other increments will be merit based and will take into account the Company’s performance.

Perquisites: He shall be entitled to perquisites, allowances, benefits, facilities and amenities (collectively called “perquisites”) such as unfurnished residential accommodation, medical reimbursement, leave travel assistance /allowance, membership fees of clubs, hospitalization and accident insurance, security at residence and any other perquisites as per policy/ rules of the Company in force or as may be approved from time to time provided that aggregate cost to the Company of such perquisites does not exceed Rs.7,20,000 per annum with authority to the Board to modify the same from time to time.

In addition to the above, Mr. D Sucheth Rao shall also be entitled to the following benefits as per policy/ rules of the Company in force or the Board may approve as from time to time.

- i. Company maintained car with driver
- ii. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- iii. Gratuity payable at a rate not exceeding half a month's salary for each completed year or service, and,
- iv. Encashment of leave at the time of retirement.

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Commission: As may be decided by the Board within the overall ceiling limit of 5% of the net profits of the Company as per the Companies Act, 1956

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay Mr. D. Sucheth Rao, the remuneration by way of salary, perquisites, commission or any other allowances as specified above and in accordance with the limits specified under the Companies Act, 1956 or such other limits as may be prescribed by the Government from time to time in this regard, as minimum remuneration.

RESOLVED FURTHER THAT the individual components of the above remuneration be decided and revised as may be agreed to by the Board and Mr. D Sucheth Rao.

RESOLVED FURTHER THAT the Board or Mr. D. Sucheth Rao shall be entitled to terminate the appointment of Mr. D. Sucheth Rao by giving twelve month notice in writing or such shorter notice as may be mutually agreed between him and the Board."

RESOLVED FURTHER THAT the Board be and is hereby authorise to do all such acts, deeds, matters and things may be considered necessary, appropriate and desirable to give effect to this Resolution and delegate to any Director(s) or any other Officer(s) of the Company for obtaining necessary permissions and approvals, if any, in this connection from any authorities."

The resolution was put to vote and was passed unanimously by all the Share holders present at the meeting.

There being no other business to transact the meeting ended with a vote of thanks to the Chair.


CHAIRMAN

27/08/2013

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